

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 02352 042352Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 STR-04 DOTE-00
/071 W

-----050257Z 059285 /72-61

R 042343Z APR 77

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 3049

INFO AMCONSUL MONTREAL

ALL OTHER CONSULATES IN CANADA (BY POUCH)

UNCLAS OTTAWA 02352

E.O. 11652: N/A

TAGS ETRD, CA

SUBJECT: 1976 CANADIAN AUTO TRADE: DEFICIT WITH U.S.
DECLINES

1. SUMMARY. CANADA'S DEFICIT IN AUTOMOTIVE TRADE WITH THE U.S. DECLINED TO \$1 BILLION IN 1976 FROM \$1.9 BILLION IN 1975. THE DEFICIT INCREASED SLIGHTLY IN AUTO PARTS TRADE BUT WAS MORE THAN OFFSET BY STRONG GAINS IN THE SURPLUS IN AUTOS, TRUCKS, AND TIRES. CANADA'S DEFICIT IN AUTO TRADE WITH OTHER COUNTRIES INCREASED TO \$155 MILLION. END SUMMARY.

2. CANADA'S DEFICIT IN AUTOMOTIVE TRADE WITH THE U.S. WAS ABOUT HALF THE 1975 DEFICIT AND LESS THAN THE 1974 DEFICIT OF \$1.2 BILLION IN CURRENT DOLLAR TERMS.

3. THE SHARP RECOVERY IN 1976 OF U.S. AUTO AND TRUCK SALES LED TO STRONG EXPORT GAINS IN EVERY CATEGORY OF CANADIAN AUTOMOTIVE TRADE WITH THE U.S. SHIPMENT OF PARTS AND LIGHT TRUCKS TO THE U.S. EACH ROSE 44 PERCENT WHILE THE VALUE OF AUTO EXPORTS ROSE 20 PERCENT. TIRE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 02352 042352Z

EXPORTS SHOWED STRONG GAINS IN LARGE PART BECAUSE OF THE STRIKE IN THE U.S. RUBBER INDUSTRY.

4. INCREASES IN CANADIAN AUTOMOTIVE IMPORTS WERE HELD BACK BY THE MODEST RATE OF GROWTH OF RETAIL AUTO SALES IN CANADA. CAR IMPORTS ROSE 6 PERCENT AND TRUCKS THREE PERCENT.

5. MOST IMPORT INCREASES WERE IN PARTS, WHICH ROSE 21 PERCENT, ACCOUNTING FOR ABOUT 90 PERCENT OF THE TOTAL INCREASE IN AUTOMOTIVE IMPORTS. DESPITE A FAR STRONGER INCREASE IN THE RATE OF GROWTH OF CANADIAN PARTS EXPORTS TO THE U.S. THAN IN PARTS IMPORTS (44 PERCENT VS 21 PERCENT), CANADA'S DEFICIT IN PARTS TRADE WIDENED SLIGHTLY BY \$55 MILLION SINCE PARTS MAKE UP MORE THAN HALF OF AUTOMOTIVE IMPORTS. (SEE TABLES).

6. BOTH EXPORTS AND IMPORTS ROSE STRONGLY IN THE FIRST THREE QUARTERS OF 1976. EXPORTS FELL MORE THAN TEN PERCENT IN THE FOURTH QUARTER AS A RESULT OF THE FORD STRIKE, WHILE IMPORTS DECLINED MORE MODERATELY.

7. OVERSEAS EXPORTS OF PASSENGER CARS INCREASED 39 PERCENT, MOSTLY ON HIGHER SALES TO OPEC COUNTRIES. IMPORTS OF CARS FROM OVERSEAS INCREASED 33 PERCENT IN VALUE.

8. AFTER A 23 PERCENT RISE IN THE UNIT VALUE OF IMPORTED AUTOS IN 1975, THE AVERAGE PRICE INCREASE IN 1976 WAS MARGINAL, IN PART DUE TO STRENGTHENING OF THE CANADIAN DOLLAR AGAINST THE U.S. DOLLAR, JAPANESE YEN, AND DM BETWEEN 1975 AND 1976.

9. TABLES. ALL FIGURES ARE IN MILLIONS OF DOLLARS.

A. US/CANADIAN AUTOMOTIVE TRADE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OTTAWA 02352 042352Z

1976: EXPORTS . IMPORTS . BALANCE; 1975 BALANCE

PARTS	2,942 . .	5,474 . .	(2,532) .	(2,477)
CARS	3,430 . .	2,320 . .	1,110 . .	675
TRUCKS, ETC.	1,344 . . .	970 . . .	374 . .	(10)
TIRES	163 . . .	115 . . .	48 . .	(105)

TOTAL	7,879 . .	8,879 . .	(1,000) .	(1,917)
---------------	-----------	-----------	-----------	---------

B. CANADIAN OVERSEAS AUTOMOTIVE TRADE - 1976

. EXPORTS . IMPORTS . BALANCE

PARTS	163 . . .	231 . . .	(68)
CARS	211 . . .	485 . . .	(274)
TRUCKS, ETC.	. 199 . . .	50 . . .	149
TIRES	8	80 . . .	(72)
RE-EXPORTS .	. 10 . . .	- . . .	10

TOTAL 591 . . . 846 . . . (255)
ENDERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE BALANCE, AUTOMOTIVE INDUSTRY, REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OTTAWA02352
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770117-0815
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770491/aaaadbgy.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f03201ab-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2907627
Secure: OPEN
Status: NATIVE
Subject: 1976 CANADIAN AUTO TRADE: DEFICIT WITH U.S. DECLINES
TAGS: ETRD, CA, US
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/f03201ab-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009